



CITY OF HOUSTON

Finance and Administration
Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Judy Gray Johnson, Director
Finance and Administration

Date: March 3, 2006

Subject: **JANUARY MONTHLY FINANCIAL
AND OPERATIONS REPORT**

Attached is the Monthly Financial and Operations Report for the period ending January 31, 2006.

General Fund Revenues

Our projection for FY06 General Fund revenues is \$2.6 million higher than last month.

- The projection for Sales Tax Revenue has been increased by \$2.6 million. The payment for December sales was 12.62%, or \$5.3 million higher than the same month last year. The new projection of \$402.9 million assumes that the remaining months in FY2006 will return to the previously budgeted levels.

General Fund Expenditures

Our projection for FY06 General Fund expenditures is \$845 thousand higher than last month.

- The projection for Municipal Courts Administration has been increased by \$448 thousand due to additional overtime from the scanning of documents for the implementation of the Integrated Case Management System.
- The projection for the Solid Waste Department has been decreased by \$1.9 million due to the Compromise and Settlement Agreement between the City and Republic Services of Texas.
- The projection for General Government has been increased by \$2.3 million, \$2 million due to higher than budgeted payments to municipal utility districts for their share of the increase in sales tax receipts and by \$320 thousand due to expected increases in property insurance premiums.

Pension Bond Proceeds

The amount projected for FY2006 Pension Bond Proceeds has been lowered to include only the police and municipal pension funds. Issuance of these bonds was approved by City Council this week and the bond sale will proceed next Tuesday. The City may issue pension bonds for the Firefighter's Relief and Retirement Fund later in this fiscal year, but if so they will be for a smaller amount than originally budgeted.

General Fund Ending Fund Balance

We are projecting an ending unreserved undesignated fund balance of approximately \$127 million, which is approximately 9.25% of estimated expenditures less debt service. This does not include the rainy day fund or sign abatement fund. The total unreserved fund balance is projected to be \$149 million.

Aviation Operating Fund

- The projection for Other Operating Revenues has been increased by approximately \$1.7 million due to higher than budgeted Miscellaneous Revenues from providing tenant services.
- The projection for Other Non-Operating Revenues has been increased by \$1.4 million due to the sale of land and obsolete vehicles.

Convention & Entertainment Facilities Operating Fund

- The projection for Other Non-Operating Revenues has been increased as the annual payment the Hilton Americas Hotel Corp. makes to C&E is \$1.9 million more than the debt service paid by C&E this fiscal year for debt incurred by the corporation.

Combined Utility System Fund

- The projection for Water Sales Revenue and Sewer Sales Revenue has been increased by \$6.5 million due to the increase in usage resulting from the continued lack of rain.
- The projection for Sale of Property has been increased by approximately \$700 thousand for real estate sales that were not expected.
- The projection for the Operating Transfer for Equipment Acquisition has been increased by \$900 thousand to reflect a carryover from FY2005.

Katrina Aid & Recovery Fund

The Interim Housing Program stopped placing new leases during the month of January and total units under lease as of the end of January is approximately 34,500. This number may increase slightly during February due to landlords turning in vouchers that were issued and approved prior to the cutoff date for execution of a new lease. FEMA has approved funding

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through February 28th for 25,000 units. An additional funding request of \$24 million is in the process.

Also, the City and FEMA have been working on an agreement in principle which defines the terms under which FEMA would extend the Interim Housing Program beyond February 28th. The City has requested that the housing program be extended through early calendar year 2007 so that all 12 month leases could conclude at the termination of the lease.

Through January 31st, FEMA has paid to the City \$105 million with another \$40 million approved to be paid when needed.

Please let me know if you have any questions.


Judy Gray Johnson, Director